

**ICI Paints Royalties Company Limited**

**Directors' report and financial  
statements**

**Registered number 2881649**

**31 December 2007**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

### Principal activities

The company ceased trading on the 1 January 2005 and the directors plan to liquidate the company in the near future. The accounts have therefore been prepared on a break up basis. The effect of adopting this basis of preparation is explained in note 1 of the financial statements.

### Dividend

The directors do not propose the payment of dividend (2006 £nil)

### Ownership

On 2<sup>nd</sup> January 2008 Akzo Nobel NV acquired Imperial Chemical Industries Plc and from this date Akzo Nobel NV became the ultimate parent company of ICI Paints Royalties Company Limited.

### Directors

The directors who held office during and since the end of the financial year were as follows

NR Paton	resigned 12 November 2007
P Foot	resigned 9 March 2007
RA Helbing	appointed 9 March 2007
RR Sparks	appointed 12 November 2007

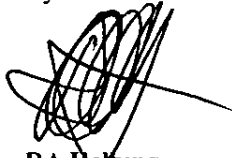
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditor

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditor annually and KPMG Audit Plc will therefore continue in office.

By order of the board



RA Helbing  
Director

26<sup>th</sup> Floor  
Portland House  
Bressenden Place  
London  
SW1E 5BG

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

As explained in note 1 to the financial statements, the directors do not believe the going concern basis is appropriate and these financial statements have not been prepared on that basis

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



## KPMG Audit Plc

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Report of the auditors to the members of ICI Paints Royalties Company Limited**

We have audited the financial statements of ICI Paints Royalties Company Limited for the year ended 31 December 2007 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of ICI Paints Royalties  
Company Limited (*continued*)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

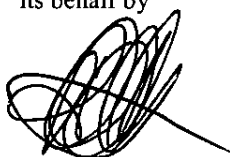
*29 July 2008*

**Balance sheet**  
*at 31 December 2007*

	<i>Note</i>	<b>2007</b> £	2006 £
<b>Current assets</b>			
Debtors	4	13,584,577	13,584,577
		<u>          </u>	<u>          </u>
<b>Net assets</b>		13,584,577	13,584,577
		<u>          </u>	<u>          </u>
<b>Capital and reserves</b>			
Called up share capital	5	100	100
Profit and loss account	6	13,584,477	13,584,477
		<u>          </u>	<u>          </u>
<b>Shareholder's funds</b>	7	13,584,577	13,584,577
		<u>          </u>	<u>          </u>

The company was dormant in the current and preceding year. Accordingly, there is no profit or loss for the year.

These financial statements were approved by the board of directors on **28TH JULY '08** and were signed on its behalf by



**RA Helbing**  
 Director

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company ceased to trade 1<sup>st</sup> January 2005 and proceedings to liquidate the company will be instigated in the near future. Therefore, the directors consider it appropriate to prepare the financial statements on a break up basis. Under this basis the carrying value of all assets and liabilities have been adjusted to reflect the ultimate realisable and settlement values.

#### ***Cash flows***

The company is exempt from the requirements of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement as it is wholly owned subsidiary undertaking of Imperial Chemical Industries PLC and its cash flows are included with the consolidated cash flow statement of that company.

#### ***Related party transactions***

As 90% or more of the company's voting rights are controlled within the group headed by Imperial Chemical Industries PLC and the company is included within the publicly available consolidated accounts of Imperial Chemical Industries PLC, the company is exempt from the requirement of Financial Reporting Standard 8 to disclose related party transactions within the group.

### **2 Directors' emoluments**

The directors do not receive any emoluments in their role as directors of the company (2006 £nil)

### **3 Staff numbers and costs**

There were no employees employed during the current and prior years other than the directors. No payroll costs have therefore been incurred.



**Notes** *(continued)*

**4 Debtors**

	2007 £	2006 £
Amounts owed by group undertaking	13,584,577	13,584,577

**5 Called up share capital**

	2007 £	2006 £
<i>Authorised, allotted, called up and fully paid</i>		
100 shares of £1 each	100	100

**6 Profit and loss account**

	2007 £	2006 £
At beginning and end of year	13,584,577	13,584,577

## Notes (continued)

### 7 Reconciliation of movements in shareholder's funds

	2007 £	2006 £
Shareholder's funds at the beginning and end of the year	13,584,577	13,584,577

### 8 Ultimate holding company

The immediate parent undertaking is TIL Limited. The ultimate holding company at the year end was Imperial Chemical Industries Plc. With effect from 2<sup>nd</sup> January 2008 the ultimate parent company became Akzo Nobel. Both Imperial Chemical Industries Plc and ICI Paints Royalties Company Limited are incorporated in Great Britain and registered in England and Wales. Akzo Nobel NV is incorporated in the Netherlands.

The smallest and largest group in which the results of the company are consolidated is that headed by Imperial Chemical Industries Plc. The consolidated accounts of this company are available to the public and may be obtained from 20 Manchester Square, London, W1U 3AN.

### 9 Post Balance Sheet Events

On 2<sup>nd</sup> January 2008 Akzo Nobel NV acquired Imperial Chemical Industries Plc and from this date Akzo Nobel NV became the ultimate parent company of ICI Paints Royalties Company Limited.